











Driving Outperformance

Ensuring Success with Revenue Management

Keith Dunkin, YieldStar

Session Agenda

- What is Revenue Management
- Revenue Management for Student Housing
- How does Revenue Management work
- Operational Best Practices (Discussion)

Revenue Management

- Balances supply and demand via price
- Considers internal dynamics and the competitive marketplace
- Can be leveraged to offer flexible leasing
- Provides enhanced operational controls
- Delivers critical decision support
- Facilitates collaboration among operations

Revenue Management Today

- Initiated in multifamily in the early 2000's
- Leveraged across 30% of conventional
- Utilized consistently across multiple markets and individual market cycles
- Deployed in Student Housing since 2009

Revenue Management For Student

- Designed specifically for Student Living
- Provides by the bed or unit pricing
- Recognizes the annual lease up
- Price centrally but leverage on site expertise
- Deployed in partnership with leading institutional investors, management providers and owner operators

- 1. Upcoming Availability (vacant, on notice, expiring leases)
- 2. Anticipated renewal conversion rate
- 3. Forecasted demand (seasonally adjusted, shape not volume)
- 4. Recent leasing velocity (relative to expectation)

5. Effective rents achieved on most recent applications

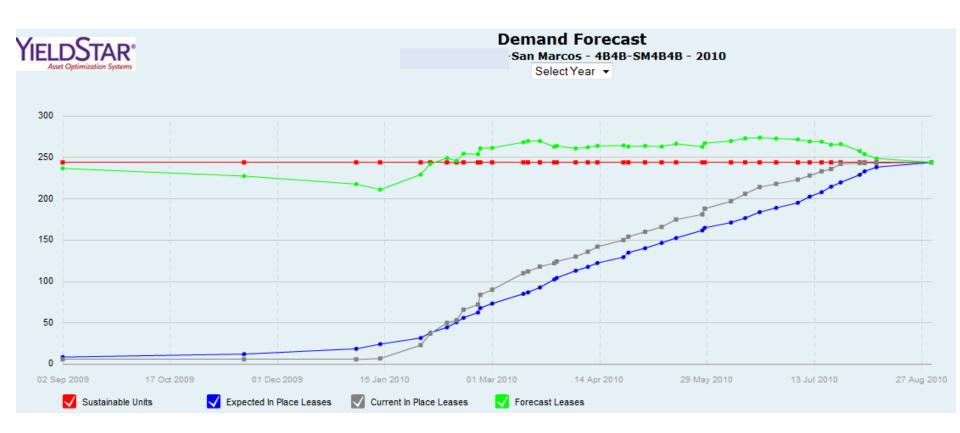
- 6. Where your prices fall vs. the comps
- 7. Understanding of your typical position to your comps
- 8. Market movement (are rates at comps going up or down?)

Up or Down?

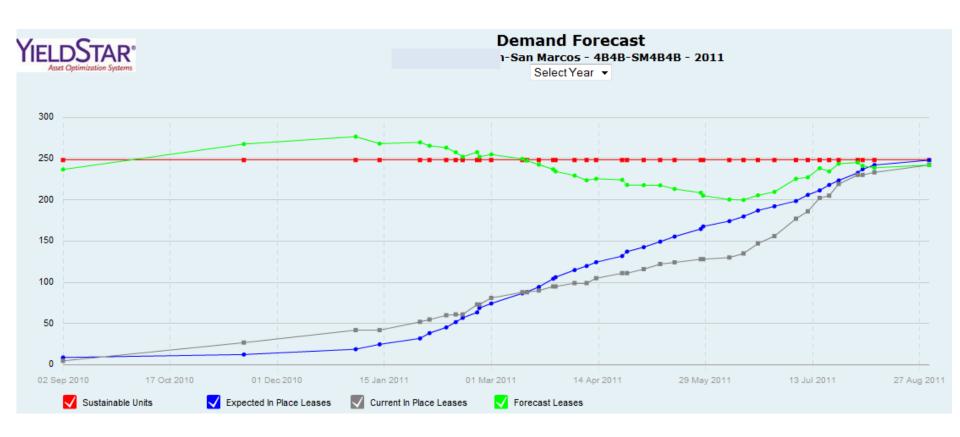
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How Much?

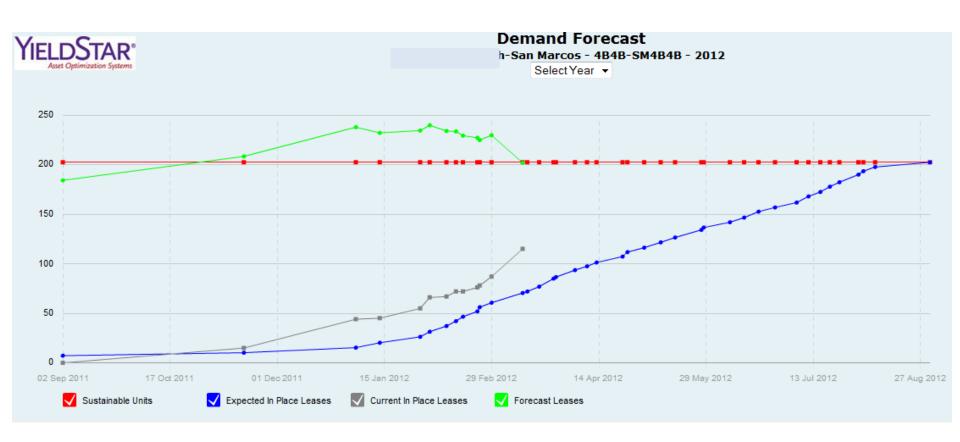
YieldStar Client— San Marcos Four Bedroom / Four Bath
2010 Demand Forecast Chart



YieldStar Client— San Marcos Four Bedroom / Four Bath
2011 Demand Forecast Chart



YieldStar Client— San Marcos Four Bedroom / Four Bath
2012 Demand Forecast Chart



How the tool utilizes the competitive data:

- Starts with your market survey, Operations approves the comps
- Dynamically calibrates elasticity for each bedroom type by:
 - Reading each lease and lease application for your asset
 - Determining the effective rent (net of all appropriate concessions)
 - Comparing the effective rent you achieve to the top and bottom of the competitive range for your selected competitors. Of note, the top and the bottom is a blending of multiple unit types to protect against "bad data"
 - The tool assigned a price position for each lease and aggregates to form a elasticity curve to truly define the price/demand relationship



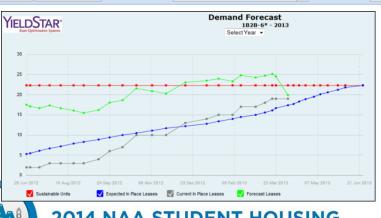
"Using Revenue Management on our Student Housing assets has been key to maximizing revenues" Jennifer Cassidy, VP Campus Advantage "The ability to evaluate the long term effects of a pricing decision with revenue management really important to Campus Advantage. When the system makes a pricing recommendation, it will project for you the financial impact to your lease up.

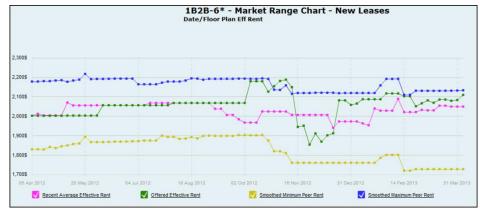
For example, if the system recommends a rate increase of \$5.00 on a certain unit type, it will project the potential revenue increase of accepting that rate. Conversely, it might tell you to drop rents by \$5.00 but predict that rate change will yield more leases and thus more revenue."

ashboard Alerts	Alert	s Dasl	hboard	Offe	red Rate	s R	ate Ac	ceptan	ce (L	Init Rat	es Re	ports	Charts	С	ntrols	Configur	atio	Compet	itors \ Lea	se Au	dit Uni	Rate	es(Debu	g)	
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Community: Cabana Beach-San Marcos		-	Display:			: Details -				Lease:	Α	II Leases			FloorPlan		Display								
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Community		Date	End Date	Left					ce	Forecast		Forecast						Recommended Eff		Change		Recent Avg Et			
Summary					Units 744			Leases 385	0cc 52%	Leases 715	96%	Leases 727	Occ C	hg	Date	Rent 5	6	Rent \$524	%		Revenue \$120,417		Rent \$505	%	
Cabana Beach-San Marcos		26-Mar	31-Aug	158	744	98%	727	385	52%	715	96%	727	98%	12		\$506	T	\$524			\$120,417		\$505		
New Leases		26-Mar	31-Aug	158	744	66%	488	196	40%	476	98%	488	100%	12		\$505	Т	\$517		\$12	\$105,681		\$505		
1B1B-SM1B1B		26-Mar	31-Aug	158	24	62%	15	7	47%	<u>15</u>	100%	15	100%	0	10-Mar	<u>\$709</u>	0%	<u>\$744</u>	11%	<u>\$35</u>	\$3,448	0	<u>\$710</u>	R 0%	
2B2B-SM2B2B		26-Mar	31-Aug	158	240	63%	151	30	20%	139	92%	151	100%	12	10-Mar	\$538 <u>2</u>	2%	\$522	10%	(\$16)	\$54,751	0	<u>\$537</u>	R 21%	
3B3B-SM3B3B		26-Mar	31-Aug	158	144	67%	97	<u>45</u>	46%	97	100%	97	100%	0	10-Mar	<u>\$504</u> 2	8%	<u>\$529</u>	55%	<u>\$25</u>	\$15,852	0	<u>\$505</u>	R 29%	
4B4B-SM4B4B		26-Mar	31-Aug	158	336	67%	225	114	51%	225	100%	225	100%	0	10-Mar	<u>\$470</u> 2	9%	\$493	<u>45%</u>	<u>\$23</u>	\$31,630	0	<u>\$470</u> <u>!</u>	R 29%	
Renewals		26-Mar	31-Aug	158	744	32%	239	189	79%	239	100%	239	100%	0		\$508		\$533		\$25	\$14,736		\$507		
1B1B-SM1B1B		26-Mar	31-Aug	158	24	33%	8	7	88%	8	100%	8	100%	0	10-Mar	<u>\$709</u>	0%	\$744	11%	<u>\$35</u>	\$420	0	\$709	R 0%	
2B2B-SM2B2B		26-Mar	31-Aug	158	240	35%	84	68	81%	84	100%	84	100%	0	10-Mar	\$538 <u>2</u>	2%	<u>\$564</u>	41%	<u>\$26</u>	\$4,992	0	\$536 <u></u>	R 20%	
3B3B-SM3B3B		26-Mar	31-Aug	158	144	30%	43	34	79%	43	100%	43	100%	0	10-Mar	\$504 2	8%	\$529	55%	\$25	\$2,700	0	\$490	R 14%	
4B4B-SM4B4B		26-Mar	31-Aug	158	336	31%	104	80	77%	104	100%	104	100%	0	10-Mar	<u>\$470</u> 2	9%	<u>\$493</u>	<u>45%</u>	<u>\$23</u>	\$6,624	0	\$474	R 32%	

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Community : Nati	tionwide Vista Rate Type : New												Post Date: 03/04/2013															
End Date: 05/2	05/27/2013 Days Left: 84																											
Review Rates Ac	/iew Rates Accept Rates Export Type : CSV (Excel) Export Supervisor Save Layout																											
Property Information		Property Statistics											In Place				Fore	cast				Recent Avg Eff				Yesterday		
Floor Plan	Total Units		% Occup	% Leased		Rate Type Cap	Capacity Units	Available Units	Vacant	ON	TBD	Units	% of Capacity	МТМ	Leases Needed	Yesterday Shortfall	% of Capacity	Shortfall at Rec	% of Capacity	Lease Change	Rent	Last Lease Date	Mkt Pos	28 Day % Change	Rent	Mkt Pos	Date of Last Change	
1B1B-A2A3*	<u>45</u>	44	98%	96%	94%	36%	16	2	1	1	8	12	75%	0	4	0	0%	<u>0</u>	0%	<u>0</u>	<u>\$1,196</u>	02/28/2013	90%	-1%	\$1,189	88%	03/02/201	
1B1B - Cabernet*	<u>10</u>	9	90%	80%	94%	60%	6	2	1	1	1	4	67%	0	2	0	0%	0	0%	0	\$1,276	10/02/2012	92%	0%	\$1,240	<u>85%</u>	03/02/201	
1B1B- Luxury	<u>76</u>	72	95%	91%	95%	48%	37	7	4	3	6	30	81%	0	7	0	0%	<u>0</u>	0%	0	<u>\$1,116</u>	02/17/2013	<u>70%</u>	0%	\$1,156	<u>80%</u>	03/03/201	
1B1B - Merlot	<u>5</u>	4	80%	100%	94%	66%	3	<u>0</u>	0	0	1	3	100%	0	0	0	0%	<u>0</u>	0%	0	\$1,314	02/19/2013	<u>89%</u>	4%	\$1,332	93%	03/04/201	
2B2B-B1	<u>53</u>	49	92%	91%	95%	51%	27	<u>5</u>	1	4	3	24	89%	1	3	0	0%	<u>0</u>	0%	0	\$1,236	03/02/2013	<u>63%</u>	-4%	\$1,358	<u>89%</u>	03/03/2013	
2B2B-B2	<u>30</u>	29	97%	97%	95%	24%	7	1	1	0	4	7	100%	1	0	0	0%	<u>0</u>	0%	0	\$1,328	11/27/2012	<u>48%</u>	0%	\$1,529	<u>93%</u>	03/01/2013	
	4					111																						
	<u>219</u>	207	95%	92%	95%		96	<u>17</u>	8	9	23	80	37%	2	<u>16</u>	0	0%	<u>0</u>	0%		<u>\$1,194</u>				\$1,256			
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2014 NAA STUDENT HOUSING CONFERENCE & EXPOSITION

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Price Ontimizer

Floor Plan : 1B1B- Luxury				Unit	s: 76														
Unit	Square Footage Buildin	Quilding	Unit	Trans		ι	ease Details.			Unit Prem/Disc	Scheduled			Actual			Variance		
Туре	Footage	Footage Dullulling Office	UIIIL	Туре	Туре	App Date	Start	End	Term		Rent	Conc	Eff Rent	Rent	Conc	Eff Rent	Monthly	Extended	Percent
a1	730	N/A	1125	New		20-Jan-13	14-Feb-13	22-Mar-14	13	\$0	\$1,098	\$0	\$1,098	\$1,098	\$0	\$1,098	\$0	\$0	
a1R	730	N/A	0825	New		17-Feb-13	20-Mar-13	14-Apr-14	13	\$150	\$1,217	\$0	\$1,217	\$1,217	\$0	\$1,217	\$0	\$0	
Sub To	tal:					2					\$2,315	\$ 0	\$2,315	\$2,315	\$0	\$2,315	\$0	\$ 0	0.0%
a 1	730	N/A	1515	Renewal		07-Jan-13	01-Feb-13	28-Feb-14	13	\$50	\$1,079	\$0	\$1,079	\$1,029	\$0	\$1,029	(\$50)	(\$650)	-5%
a1	730	N/A	0726	Renewal		10-Jan-13	17-Feb-13	14-Mar-14	13	\$0	\$1,027	\$0	\$1,027	\$1,027	\$0	\$1,027	\$0	\$0	-
a1	730	N/A	1628	Renewal		03-Feb-13	04-Feb-13	09-Mar-14	13	\$0	\$1,057	\$0	\$1,057	\$1,029	\$0	\$1,029	(\$28)	(\$364)	-3%
a1	730	N/A	1425	Renewal		11-Feb-13	16-Mar-13	15-Mar-14	12	\$35	\$1,067	\$0	\$1,067	\$1,000	\$0	\$1,000	(\$67)	(\$804)	-6%
Sub To	tal:					4					\$4,230	\$0	\$4,230	\$4,085	\$ 0	\$4,085	(\$145)	(\$1,818)	(3.4%)

- Lease compliance monitoring
- Current and historical rent roll
- Extensive renewal insight
- Market comparative expirations



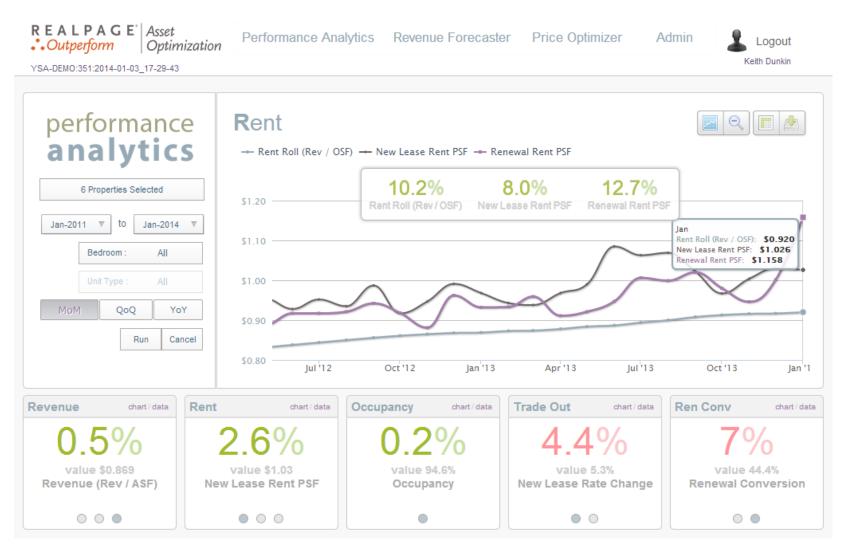
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Post Date:	te: Previous Lease Details																			
					Previou	s Lease De	tails						Renewal L	ease Details						
Floor Plan	Unit Type		Unit Sq Ft	Lease Type	Start Date	End Date	Effective Rent		Signed Date	Start Date	End Date	Term	Unit Premium/ Discount	Scheduled Effective Rent	Actual Effective Rent	Variance	Lease Compliance % Variance	Renewal Rate Change	Recent Average Effective	Current Offered Rent
1B1B-Andes	andes	1514-2	884	New	06/30/2012	06/29/2013	1,050	12	04/18/2013	06/30/2013	07/29/2014	13	\$55	1,071	1,071	0	0.0%	2.00%	1,072	1,165
1B1B-Andes	andes	1510-2	884	Renewal	07/01/2012	06/30/2013	1,045	12	04/27/2013	07/01/2013	08/31/2014	14	\$35	1,058	1,058	0	0.0%	1.24%	1,072	1,178
1B1B-Andes	andes	1504-1	807	Renewal	07/01/2012	06/30/2013	1,015	12	05/09/2013	07/01/2013	05/27/2014	11	\$0	1,048	1,048	0	0.0%	3.25%	1,122	1,104
1B1B-Andes	andes	1508-1	807	New	12/20/2011	06/30/2013	1,010	18	05/12/2013	07/01/2013	08/31/2014	14	\$35	1,030	1,030	0	0.0%	1.98%	1,122	1,121
1B1B-Andes	andes	1506-1	807	Renewal	07/01/2012	06/30/2013	1,030	12	05/28/2013	07/01/2013	07/31/2013	1	\$20	1,324	1,324	0	0.0%	28.54%	1,119	1,089
1B1B-Andes	andes	1610-1	807	New	07/01/2012	06/30/2013	1,025	12	05/29/2013	07/01/2013	06/26/2014	12	\$15	1,045	1,045	0	0.0%	1.95%	1,119	1,107
1B1B-Andes	andes	1614-2	884	Renewal	07/01/2012	06/30/2013	1,020	12	05/29/2013	07/01/2013	08/31/2014	14	\$55	1,042	1,042	0	0.0%	2.16%	1,119	1,107
1B1B-Ozark	ozark	1488-1	631	New	07/01/2012	06/30/2013	984	12	05/23/2013	07/01/2013	08/25/2014	14	\$35	996	996	0	0.0%	1.22%	943	0
1B1B-Ozark	ozark	1440-2	705	New	06/30/2012	06/29/2013	945	12	06/19/2013	06/30/2013	08/29/2014	14	\$40	985	973	-12	-1.2%	2.96%	1,023	1,066
2B2B-Pinnacle	pinnacle	1462-2	1,159	New	07/01/2012	06/30/2013	1,280	12	05/07/2013	07/01/2013	04/27/2014	10	\$80	1,326	1,326	0	0.0%	3.59%	1,252	1,302
2B2B-Pinnacle	pinnacle	1582-2	1,159	New	06/22/2012	06/21/2013	1,280	12	05/07/2013	06/22/2013	08/21/2014	14	\$80	1,295	1,295	0	0.0%	1.17%	1,252	1,302
2B2B-Pinnacle	pinnacle	1522-2	1,159	Renewal	07/01/2012	06/30/2013	1,210	12	05/28/2013	07/01/2013	05/31/2014	11	\$80	1,303	1,313	10	0.8%	8.51%	1,250	1,267
2828-Pinnacle	pinnacle	1470-1	1,096	Renewal	07/01/2012	06/30/2013	1,295	12	05/31/2013	07/01/2013	08/31/2014	14	\$95	1,315	1,325	10	0.8%	2.32%	1,259	1,403
Averages			906.846				1,091.462	12.462				12	\$48.077	1,141.385	1,142	0.615	0.0%	4.68%	1,132.615	1,093.154
Totals			11,789				14,189						\$625	14,838	14,846	8			14,724	14,211

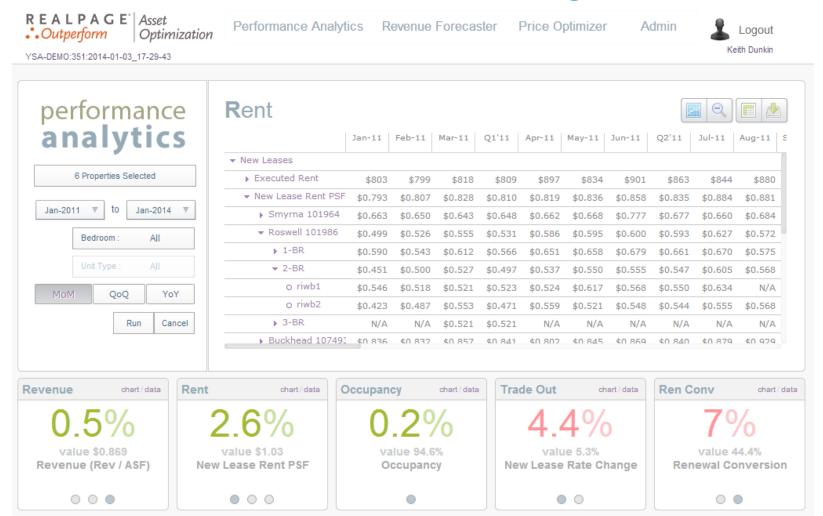
Rent Roll Report: St Louis 1 Feb 21, 2013 3:40:54 PM CST Start Date: Feb 22, 2013 1B1B-A* 30279753 29782360 29656933 05-Jul-12 28-Sep-13 Yes 27511428 22-Apr-12 12422 24826690 12430 29614688 01-Jun-12 01-Jun-12 12442 12442 12442 30781360 12442 12450 24826689 29081277 08-Oct-12 12525

CONFERENCE & EXPOSITION











Best Practices Discussion



NEXT GENERATION

2014 NAA STUDENT HOUSING CONFERENCE & EXPOSITION











Thank you!